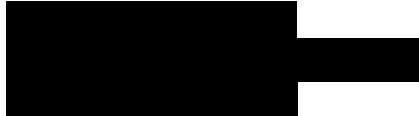




Date Mailed: July [REDACTED], 2025  
Docket No.: 25-009676  
Case No.: [REDACTED]  
Petitioner: OFFICE OF INSPECTOR  
GENERAL (OIG)



This is an important legal document. Please have  
someone translate the document.

هذه وثيقة قانونية مهمة. يرجى أن يكون هناك شخص ما يترجم المستند.

এটি একটি গুরুত্বপূর্ণ আইনি ডকুমেন্ট। দয়া করে কেউ  
দস্তাবেজ অনুবাদ করুন।

Este es un documento legal importante. Por favor,  
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这是一份重要的法律文件，请让别人翻译文件。

Ky është një dokument ligjor i rëndësishëm. Ju  
litem, kini dikë ta përktheni dokumentin.

Date Mailed: July [REDACTED], 2025  
Docket No.: 25-009676  
Case No.: [REDACTED]  
Petitioner: OFFICE OF INSPECTOR  
GENERAL (OIG)

**HEARING DECISION**  
**FOR INTENTIONAL PROGRAM VIOLATION (TRAFFICKING)**

The Michigan Department of Health and Human Services (MDHHS or the Department) requested a hearing alleging that Respondent [REDACTED] committed an intentional program violation (IPV) by trafficking Food Assistance Program (FAP) benefits. Pursuant to MDHHS' request for hearing and MCL 400.9, 7 CFR 273.16 and 7 CFR 273.18, this matter is before the undersigned Administrative Law Judge. After due notice, a hearing was held via telephone conference on July 17, 2025. Patrick Waldron, Regulation Agent with the Office of Inspector General (OIG), represented MDHHS. Respondent did not appear at the hearing, and it was held in Respondent's absence pursuant to 7 CFR 273.16(e)(4).

**ISSUES**

1. Did MDHHS establish, by clear and convincing evidence, that Respondent committed an intentional program violation (IPV) by trafficking Food Assistance Program (FAP) benefits?
2. Should Respondent be disqualified from receiving FAP benefits?
3. Has MDHHS established a recipient claim against Respondent for [REDACTED] based on FAP benefits trafficked by Respondent?

**FINDINGS OF FACT**

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. On January 14, 2022, Respondent applied for FAP benefits for a group size of four, consisting of herself and her minor children. Prior to submitting the application, Respondent must review rights, responsibilities, and rules as a benefit recipient, including the prohibition against selling, trading, or giving away her benefits online or in person (Exhibit A, pp. 9-63).
2. Respondent does not have a physical or mental impairment that would limit her understanding of these rules and responsibilities.

3. During the fraud period, Respondent was issued nine different Electronic Benefit Transfer (EBT) Bridge cards to make purchases using FAP benefits. Respondent changed her Personal Identification Number (PIN) on six different occasions during the fraud period. (Exhibit A, pp. 66-68).
4. From March 26, 2022 through December 24, 2023, Respondent's EBT card was used to make multiple transactions ending in even dollar amounts, in conjunction with cash payments, despite Respondent having remaining FAP benefits available. Loyalty cards issued to individuals other than Respondent were used in conjunction with Respondent's EBT card to complete these purchases (Exhibit A, pp. 69-109).
5. Respondent has no prior FAP IPV disqualifications.
6. On March 14, 2025, MDHHS' OIG filed a hearing request alleging that Respondent intentionally trafficked her FAP benefits by selling her FAP benefits to persons outside of her household for monetary gain from March 26, 2022 through December 24, 2023 (fraud period). OIG requested that:
  - a. Respondent repay [REDACTED] to MDHHS for FAP benefits that Respondent was ineligible to receive.
  - b. Respondent be disqualified from receiving FAP benefits for a period of 12-months due to committing an IPV.
7. A notice of hearing was mailed to Respondent at the last known address and was not returned by the United States Postal Services as undeliverable.

### **CONCLUSIONS OF LAW**

MDHHS policies are contained in the MDHHS Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

The Food Assistance Program (FAP) [formerly known as the Food Stamp program] is funded under the federal Supplemental Nutrition Assistance Program (SNAP) established by the Food and Nutrition Act of 2008, as amended, 7 USC 2011 to 7 USC 2036a. It is implemented by the federal regulations contained in 7 CFR 273. MDHHS administers FAP pursuant to MCL 400.10 of the Social Welfare Act, MCL 400.1 *et seq.*, and Mich Admin Code, R 400.3001 to R 400.3015.

#### **Trafficking**

MDHHS alleges that Respondent committed an IPV by trafficking FAP benefits and requests that Respondent be disqualified from FAP eligibility. IPV is defined, in part, as having intentionally "committed any act that constitutes a violation of [FAP], [FAP federal] regulations, or any State statute for the purpose of using, presenting, transferring, acquiring, receiving, possessing or trafficking of [FAP] benefits or EBT [electronic benefit transfer] cards." 7 CFR 273.16(c)(2) and (e)(6). Trafficking includes

buying, selling, stealing, or otherwise effecting, or attempting to buy, sell, steal or otherwise effect, “an exchange of [FAP] benefits issued and accessed via [EBT] cards, card numbers and personal identification numbers (PINs), or by manual voucher and signature, for cash or consideration other than eligible food, either directly, indirectly, in complicity or collusion with others, or acting alone” 7 CFR 271.2.

To establish an IPV by trafficking, MDHHS must present clear and convincing evidence that the household member committed, and intended to commit, the IPV. 7 CFR 273.16(e)(6); BAM 720, pp. 12-13. Clear and convincing evidence is evidence sufficient to result in “a firm belief or conviction as to the truth of the precise facts in issue.” *Smith v Anonymous Joint Enterprise*, 487 Mich 102, 114-115; 793 NW2d 533 (2010); see also M Civ JI 8.01. The clear and convincing standard is “the most demanding standard applied in civil cases.” *In re Martin*, 450 Mich 204, 227; 538 NW2d 399 (1995).

In this case, Respondent was properly instructed regarding the rights, responsibilities, and rules as a benefit recipient, including the prohibition against selling, trading, or giving away her benefits, online or in person, when she applied for FAP benefits on January 14, 2022. Respondent does not have a physical or mental impairment that would limit her understanding of these rules and responsibilities. During the fraud period, Respondent was issued nine different EBT Bridge cards to make purchases using FAP benefits. Respondent changed her PIN on six different occasions during the fraud period. The OIG testified that, in his training and experience, this is indicative of an individual allowing persons outside of their FAP group to use their FAP benefits. Between March 26, 2022 through December 24, 2023, Respondent’s EBT card was used to make multiple transactions ending in even dollar amounts, in conjunction with cash payments, despite Respondent having remain FAP benefits available. Different loyalty cards issued to individuals other than Respondent were used in conjunction with Respondent’s EBT card. The OIG testified that, in his training and experience, these patterns are indicative of trafficking. While OIG was unable to present evidence that Respondent actually received cash in exchange for her FAP benefits, that Respondent was not utilizing her own FAP benefits to purchase groceries is consistent with receiving consideration in exchange for her FAP benefits. Respondent did not appear at the hearing to dispute any of the evidence presented by MDHHS. Under the facts presented, MDHHS established by clear and convincing evidence that Respondent trafficked FAP benefits and as such, committed an IPV.

### **Disqualification**

A client who is found to have committed an IPV by a hearing decision is disqualified from receiving program benefits for one year for the first IPV, two years for the second IPV, and lifetime for the third IPV. 7 CFR 273.16(b)(1); BAM 720, p. 16. As discussed, MDHHS has established by clear and convincing evidence that Respondent committed an IPV. No evidence of any prior FAP IPVs was presented. Because this was Respondent’s first FAP IPV, she is subject to a one-year disqualification from receipt of FAP benefits.

### **Recovery of Trafficked Benefits**

MDHHS is entitled to recoup and/or collect from an individual the value of any benefits that are trafficked. 7 CFR 273.18(a)(1)(ii). The value of claims arising from trafficking-related offenses will be the value of the trafficked benefits as determined by the individual's admission, an adjudication, or documentation that forms the basis for the trafficking determination. 7 CFR 273.18(c)(2). BAM 720, p. 8.

In this case, MDHHS seeks repayment from Respondent for [REDACTED], the amount of trafficked benefits. As discussed, MDHHS presented clear and convincing evidence showing that Respondent trafficked her FAP benefits by allowing other individuals to complete purchases using her FAP benefits. The total transaction amount completed by individuals other than Respondent totaled [REDACTED]. Since MDHHS presented sufficient evidence that these transactions were made using trafficked benefits, MDHHS is entitled to recoup or collect [REDACTED] from Respondent.

### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, concludes that:

1. MDHHS has established by clear and convincing evidence that Respondent committed an IPV by trafficking FAP benefits.
2. Respondent trafficked [REDACTED] in FAP benefits.

**IT IS ORDERED** that MDHHS initiate recoupment/collection procedures for the amount of [REDACTED] in accordance with Department policy, less any amounts already recouped and/or collected.

**It is FURTHER ORDERED** that Respondent be disqualified from FAP for a period of 12 months.



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DANIELLE NUCCIO  
ADMINISTRATIVE LAW JUDGE

**APPEAL RIGHTS:** Respondent may appeal this Hearing Decision to the circuit court. Rules for appeals to the circuit court can be found in the Michigan Court Rules (MCR), including MCR 7.101 to MCR 7.123, available at the Michigan Courts website at [courts.michigan.gov](http://courts.michigan.gov). The Michigan Office of Administrative Hearings and Rules (MOAHR) cannot provide legal advice, but assistance may be available but assistance may be available through the State Bar of Michigan at <https://lrs.michbar.org> or Michigan Legal Help at <https://michiganlegalhelp.org>. A copy of the circuit court appeal should be sent to MOAHR. A circuit court appeal may result in a reversal of the Hearing Decision.

Either party who disagrees with this Hearing Decision may also send a written request for a rehearing and/or reconsideration to MOAHR within 30 days of the mailing date of this Hearing Decision. The request should include Petitioner's name, the docket number from page 1 of this Hearing Decision, an explanation of the specific reasons for the request, and any documents supporting the request. The request should be sent to MOAHR

- by email to [MOAHR-BSD-Support@michigan.gov](mailto:MOAHR-BSD-Support@michigan.gov), **OR**
- by fax at (517) 763-0155, **OR**
- by mail addressed to  
Michigan Office of Administrative Hearings and Rules  
Rehearing/Reconsideration Request  
P.O. Box 30639  
Lansing Michigan 48909-8139

Documents sent via email are not secure and can be faxed or mailed to avoid any potential risks. Requests MOAHR receives more than 30 days from the mailing date of this Hearing Decision may be considered untimely and dismissed.

**Via Electronic Mail:**

**Petitioner**

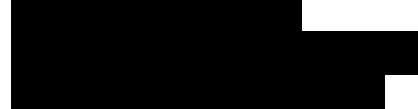
OFFICE OF INSPECTOR GENERAL (OIG)  
PO BOX 30062  
LANSING, MI 48909-7562  
**MDHHS-OIG-HEARINGS@MICHIGAN.GOV**

**Interested Parties**

POLICY-RECOUPMENT  
N. STEBBINS

**Via First Class Mail:**

**Respondent**

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